



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGIONAL ADMINISTRATOR
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 14 2018

MEMORANDUM

SUBJECT: Recusal Statement

FROM: Cathy Stepp
Regional Administrator

TO: E. Scott Pruitt
Administrator

I have previously consulted with the Office of General Counsel/Ethics (OGC/Ethics) and the Region's ethics team and been advised about my ethics obligations. This memorandum formally notifies you of my continuing obligation to recuse myself from participating personally and substantially in certain matters in which I have a financial interest, or a personal or business relationship. I also understand that I have obligations pursuant to Executive Order 13770 and the Trump Ethics Pledge that I signed.

FINANCIAL CONFLICTS OF INTEREST

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I am recused from participating in any particular matter involving the following entities:

| ENTITY | BUSINESS |
|--|-------------------------------|
| Magnum Truck and Equipment, Sturtevant, WI | Used truck and trailer dealer |
| HMS Properties of Wheatland, LLC, Sturtevant, WI | Real estate holding company |
| PS Properties of Dover, LLC, Sturtevant, WI | Real estate holding company |
| P&C Investors, Sturtevant, WI | Real estate holding company |

OBLIGATIONS UNDER EXECUTIVE ORDER 13770

Pursuant to Section 1, Paragraph 6 of the Executive Order, I understand that I have ethics obligations with respect to my former employer, the Wisconsin Department of Natural Resources (WDNR). The Executive Order provides more restrictions than the federal ethics rules, but I am advised by OGC/Ethics that the additional restrictions contained in the Executive Order regarding former employer do not apply to me. The definition of “former employer” in the Executive Order excludes state government.¹ Therefore, OGC/Ethics has confirmed that I am not subject to the additional Executive Order restrictions regarding former employers.

OBLIGATIONS UNDER THE IMPARTIALITY PROVISIONS

Pursuant to the federal impartiality standards, I understand that I have a “covered relationship” with my former employer, which is a state government. However, on January 3, 2018, EPA’s Designated Agency Ethics Official issued an impartiality determination that authorizes me to participate in specific party matters that involve the State of Wisconsin, but not on the very same specific party matters I worked on personally and substantially while employed with the WDNR. Attached is a list of matters I am recused from given my role at WDNR. In addition, I am recusing myself for one year from my date of separation from WDNR from certain additional matters currently pending in Region 5, which are identified in the attached list. This one-year recusal ends on August 31, 2018.

SCREENING ARRANGEMENT

To ensure that I do not participate in matters relating to any of the entities listed above, I will instruct the Acting Deputy Regional Administrator (DRA), Region 5, and Regional Administrator assistants (identified in the cc: list below) to assist in screening EPA matters directed to my attention that involve those entities. To help ensure that I do not inadvertently participate in matters from which I am recused, I am directing the Acting DRA to seek the assistance of the Region 5 Ethics Team and/or OGC/Ethics if he is ever uncertain whether I may participate in a matter. All inquiries and comments involving the entities on my recusal list should be directed to the Acting DRA without my knowledge or involvement until after my recusal period ends.

If the Acting DRA determines, with input from Region 5 Ethics and/or OGC/Ethics as appropriate, that a particular matter will directly involve any of the entities on my “specific party” recusal list, he will refer it for action or assignment to another, without my knowledge or involvement. I will provide a copy of this memorandum to my principal subordinates with a copy to Justina Fugh, Senior Counsel for Ethics, and Ann Coyle, Regional Ethics Attorney.

UPDATE AS NECESSARY

In consultation with OGC/Ethics or the Region’s ethics team, I will revise and update my recusal statement whenever warranted by changed circumstances, including a determination that

¹ See Exec. Order 13770, Section 2(j), which provides: “‘former employer’ does not include ... State or local government.”

I worked personally and substantially on a particular matter, not yet identified, while at WDNR, changes in my financial interests, changes in my personal or business relationships, or any changes to my EPA duties. In the event of any changes to my screening arrangement, I will provide a copy of the revised recusal statement to you, OGC/Ethics, and my principal subordinates.

cc: Justina Fugh, Senior Counsel for Ethics
Ed Chu, Acting Deputy Regional Administrator, Region 5
Kurt Thiede, Chief of Staff, Region 5
Leverett Nelson, Regional Counsel, Region 5
Ann Coyle, Regional Ethics Counsel, Region 5
Felicia Williams, Executive Assistant to the Regional Administrator
Isidra Martinez, Staff Assistant
Marjorie Marshall, Secretary
Sheila Robinson, SEEP

Cathy Stepp–Wisconsin Department of Natural Resources

| Permanent Recusal | |
|---|--|
| Company/Matter | Statute(s) |
| Ashley Furniture | CWA |
| Kohler Golf Course | CWA |
| Large dairy CAFOs general permit | CWA |
| Legal Authority Review | CWA NPDES |
| Madison-Kipp Corp (Madison) | TSCA PCBs |
| Meteor Timber | CWA |
| Mid-America Steel Drum a/k/a Greif a/k/a CLCM (Milwaukee) | Various |
| Milwaukee Metropolitan Sewerage District | CWA NPDES |
| NPDES withdrawal petition | CWA NPDES |
| Pagels family enterprises ² <ul style="list-style-type: none"> • Ponderosa Dairy (Kewaunee) • Dairy Dreams | All |
| Variance for phosphorus | CWA |
| WDNR's comments on Tribal "Treatment as State" Reinterpretation Rule <ul style="list-style-type: none"> • Forest County Potawatomi, Treatment as a State • Lac Courte Oreilles, Treatment as a State | CWA & CAA |
| Webers (Oregon, WI), health effects of exposure to biological waste holding tanks | Various |
| WE Energies | CWA NPDES Permit/Water Quality Standards (arsenic) |
| Wisconsin CAFO vegetative treatment areas | CWA NPDES |

² Any other businesses, including farms, in which the Pagels have a financial interest are covered by this recusal.

| One-Year Recusal (ending August 31, 2018)³ | |
|--|-------------------|
| Company/Case | Statute(s) |
| CAFO enforcement matters <ul style="list-style-type: none"> • Brennan Farm (Lake Geneva) • Calamity Knoll Farm (Armenia) • Central Sands Dairy • Ebert Dairy Enterprises (Pierce) • El-Na Dairy LLC • Halls Calf Ranch (Montpelier) • Heims Hillcrest Dairy (Casco) • Kane Farm • Kinnard Farms (Lincoln) • Ledgeview Farms (De Pere) • Neighborhood Dairy (Kaukauna) • New Horizons • Sandway Farm • Tag Lane Dairy Farm • Wolf River Ranch (Shawano County) | CWA NPDES |
| Kretzschmar Dairy (Bad River Band) | CWA CAFO permit |
| Ozone Designations and SIPs <ul style="list-style-type: none"> • Sheboygan • Door County • Racine County • Waukesha County | CAA |
| State primacy petitions <ul style="list-style-type: none"> • Revised Total Coliform Rule • Lead & Copper Rule • Stage 2 Disinfection Byproducts Rule • Ground Water Rule | SDWA |
| Variance and exceptions to state drinking water regulations | SDWA |
| WE Energies (Rothschild) | CAA PSD permit |

³ Any recusal listed in this table will become permanent if I determine that I worked personally and substantially on the matter while I was at WDNR. I will update my recusal list accordingly.